

April 2, 2002

The Honorable Michael Powell, Chairman
Federal Communications Commission
445 12th Street, SW Portals II Building
Washington, D.C. 20544

**RE: Written Ex Parte in the Proceeding Captioned: *Verizon Wireless
Wireless Local Number Portability Forbearance Petition*; WT Docket
No. 01-184**

Dear Chairman Powell:

The Maryland Office of People's Counsel ("OPC") urges the FCC to deny the Verizon forbearance petition cited above and require all wireless telecommunications providers to implement wireless number portability ("WNP") by November 24, 2002. OPC represents the interests of residential (individual) consumers of telephony and other regulated products. OPC believes that Verizon's forbearance petition lacks an adequate factual basis for the FCC to grant the requested forbearance. Furthermore, OPC believes that WNP will promote greater consumer choice, enhance competition, and strengthen each State's ability to promote number conservation. Therefore, OPC urges you and your fellow commissioners to deny Verizon's forbearance petition and, thus, to stand firmly by your commitment to implement WNP in November 2002.

Verizon's forbearance petition does not provide an adequate factual basis for the FCC to act upon. Verizon's forbearance petition fails to quantify the alleged costs that justify forbearance. In addition, Verizon's petition fails to provide an empirical assessment of the extent to which wireless customers value their wireless telephone

numbers and how much of an impediment this is to changing carriers. And, finally, Verizon's forbearance petition fails to quantify its cost savings as a result of the FCC's classification of wireless telephones as local for the purposes of reciprocal compensation. Since Verizon's forbearance petition lacks an adequate factual basis upon which a decision may be rendered, it must be denied.

Besides the lack of a factual basis, OPC believes that Verizon's forbearance petition is contrary to competition, service quality, and consumer choice. In a market where consolidation is increasing and service quality is decreasing, steps should be taken to allow consumers to vote with their feet – while taking their phone number – and choose the carrier best suited to them. If consumers are unable to take their wireless telephone number to another carrier, they are less likely to change carriers. When consumer choice is inhibited, competition is impeded and there is less incentive for the wireless telephone carrier to maintain or improve service quality.

Wireless telephone service quality is declining in Maryland. The Consumer Protection Division of the Maryland Attorney General's Office reported that wireless telephone service had the dubious distinction of coming in at number five on the Attorney General's annual "Top Ten" list of industries that generated the most consumer complaints in 2001. Last year was the first year that wireless telephone service made it onto the Attorney General's "Top Ten" list. These complaints show that wireless telephone service quality is declining in Maryland.

OPC believes that the lack of WNP is a highly significant factor in the decline in wireless telephone service quality in Maryland. Wireless telephone customers are strongly hesitant to change their telephone numbers. For salespeople and others whose jobs rely heavily on their wireless telephones, changing telephone numbers can translate into lost business. Wireless customers will not change carriers and their wireless telephone numbers unless poor service pushes them to a breaking point. Wireless carriers know this, and they know that diverting resources away from service quality and towards the expansion of market share translates into greater revenues and profit. Therefore, wireless carriers oppose WNP in order to "lock in" their present wireless customers, and money saved on service is diverted towards areas such as marketing that yield the wireless carrier greater revenues and profit than do expenditures on service.

Furthermore, since a lack of WNP locks in existing wireless customers, consumer choice and competition are hurt by a lack of WNP. As mentioned above, wireless telephone customers are loath to change carriers because they cannot take their wireless telephone number to another carrier. This is a tremendous barrier to customer choice, and it prevents a customer from changing unless his or her carrier becomes absolutely intolerable or another carrier becomes overwhelmingly attractive. Nuances, and not

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extremes, among wireless carriers should drive customer choice. Therefore, where WNP is not available, wireless customers are locked in to their existing carrier and consumer choice is detrimentally affected, if not virtually eliminated.

Finally, a lack of WNP harms competition. Customers must be able to freely move from one wireless carrier to another in order to take advantage of cheaper wireless plans or a new feature or package of features on a competing carrier's wireless telephone. However, since WNP is not available, customers are less free to move from one wireless carrier to another. This makes cheaper wireless plans and new features relatively less attractive. The existing wireless carrier would literally need to drive away customers because of significantly higher rates or significantly poorer service than its competitors before a given wireless customer will change carriers. This atmosphere creates a significant barrier to entry for new market entrants, and this atmosphere stifles innovation and price competition over the long run. Therefore, the lack of WNP prevents customers from moving from one carrier to another, and this reality in the marketplace hinders competition.

For the reasons stated above, OPC respectfully requests that Verizon's forbearance petition be denied and that WNP be implemented in November 2002.

Very truly yours,

Michael J. Travieso
Maryland People's Counsel

MJT/ds